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ANNUAL REPORT

OF THE

JOINT MERIT SYSTEM

TO THE

GOVERNOR OF MONTANA

HONORABLE FORREST H. ANDERSON

FOR THE

FISCAL YEAR ENDED

June 30, 1970

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State of Montana
JOINT MERIT SYSTEM

TELEPHONE NUMBER
449-2064

FOR
DEPARTMENT OF MENTAL HYGIENE
DEPARTMENT OF PUBLIC WELFARE
STATE DEPARTMENT OF HEALTH
EMPLOYMENT SECURITY COMMISSION
STATE CIVIL DEFENSE AGENCY
COMMISSION ON AGING

35 ELEVENTH AVENUE
HELENA, MONTANA 59601

August 27, 1970

The Honorable Forrest H. Anderson
Governor
State of Montana
Helena, Montana, 59601

Dear Governor Anderson:

In accordance with the requirements of Section 82-4002, R.C.M. 1947, there is herewith transmitted to you the report of the Joint Merit System covering the fiscal year ended June 30, 1970.

In this year there has been a sharp rise in the number of persons recruited and examined for state jobs with almost 15% more applications received than in the previous year. Especially large increases were noted in applications from college graduates seeking entrance level professional jobs.

The major problem is the shortage of staff and the inability to handle the increased workload. Additional professional and clerical help is needed to do a more effective job in all phases of the recruitment and examination program and to re-establish a system of verification of previous experience of applicants who are considered for employment.

Respectfully submitted,

Melvin P. Martinson
Merit System Director

MPM:bm

Enclosure.

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OFFICE AND OFFICERS

MERIT SYSTEM COUNCIL

OFFICER TERM OF OFFICE	HOME ADDRESS
Rev. Joseph D. Harrington, Ph.D., Chairman 7/18/69 - 5/31/74	Capitol Hill, Helena
Col. James F. Neely, Ret., Member 8/7/69 - 5/31/72	515 Logan, Helena
Mr. J. H. Egan, Member 6/1/70 - 5/31/76	1901 E 6th Ave., Helena

ADMINISTRATIVE OFFICER

Melvin P. Martinson, Merit System Director

OFFICE

35 Eleventh Avenue, Helena

LEGAL REFERENCES

In 1939 the Federal Social Security Act was amended to require state agencies receiving certain Federal funds to operate a personnel program in conformity with Federal standards. Legislation concerning the Merit System agency is found in the following Sections of the Revised Codes of Montana: 59-902; 69-4109; 71-203; 71-209; 71-217; and 87-123. Attorney General's opinions relating to the program are: Official Opinion, Vol. 22, No. 96, and Unofficial Opinions dated September 28, 1960 and February 8, 1966.

PRINCIPAL GOALS

The Joint Merit System has the responsibility of recruiting and examining applicants for employment, maintaining information concerning the availability of persons who have qualified for employment, certifying lists of eligible applicants, giving assistance on personnel practices and techniques, and hearing appeals.

In giving assistance on personnel practices and techniques the Merit System Office helps the covered departments to secure information on salaries paid elsewhere in order to establish schedules which will attract and hold good employees. It also helps the departments develop sound employee relations programs and assists them in establishing uniform standards for all personnel actions.

PROGRAM INVENTORY AND COST SUMMARY

PROGRAM	COST 1969-70 F.Y.
Administration	$ 52,312
Total	$ 52,312

MAJOR ACCOMPLISHMENTS

THE MERIT SYSTEM PROGRAM

Achievements. The number of applicants for Merit System examinations (6,691) was 14.9% higher than in fiscal 1969 and 8.5% higher than in any previous year. The increase in applications was especially large for some of the entrance level professional positions.

The number of applications received in 1970 included: Social Worker I, 350; Sanitarian I, 48; Interviewer I, 260. In 1969 the number of applications received was: Social Worker I, 244; Sanitarian I, 28; Interviewer I, 180. This was the largest number of applications received in any one year for all of these entrance level positions.

Merit System examinations for high school students were given in 73 high schools for 1,082 applicants for entrance level Clerk, Typist, and Stenographer positions. This compares with 898 applicants in 1969 in 61 high schools.

Merit System examinations and dismissal procedures resulted in only one appeal during fiscal 1970. There have been only three appeals since 1959.

MAJOR RECOMMENDATIONS

1. PROGRAM: MERIT SYSTEM ADMINISTRATION

   REQUIRED IMPLEMENTATION ACTION: LEGISLATIVE

   PRIORITY RATING: Top Priority for all Positions

   CATEGORY: Growth in Current Level Services

   Recommendation. In addition to the present staff money should be appropriated for additional staff in each fiscal year. The amount required will be $7,887 in fiscal 1972 and $11,166 in fiscal 1973. This will pay for salaries and fringe benefits to do the following: Personnel Technician I - increase a new position from six months in fiscal 1971 to full-time. Clerk-Typist I - increase from 9.5 months in fiscal 1971 to full-time. Clerk-Stenographer I - a new position half-time in fiscal 1972 and full-time in fiscal 1973.

   Discussion. Additional technical help is needed for the following reasons

   1. To assist with the rating of training and experience, development of test materials, analysis of test materials, and other personnel functions.
   2. To assist Merit System Agencies with the development of new class specifications.
   3. To supervise the development of better recruitment materials and to maintain closer contacts with sources of recruitment.
   4. To free the Director to make visits to colleges and other sources of recruitment.

Additional clerical help is needed for the following reasons:

1. To re-establish a system of verification of previous experience.
2. To mimeograph and assemble new test materials.
3. To maintain current information on the availability of applicants.
4. To assist with the increased load of scoring, record keeping, and other clerical tasks.

ANALYSIS OF MERIT SYSTEM PROGRAMS

ADMINISTRATION

Services Provided. Chiefly recruitment and examination of persons seeking state employment to set up lists of eligibles to be considered by the state offices under the Merit System.

Objectives. To make examinations available to all qualified persons who are seeking state employment in the Merit System agencies and to secure the best qualified persons for state jobs.

Target Groups. All persons seeking employment in the Merit System agencies. This includes especially large groups of high school and college graduates as well as others with appropriate experience who wish to work for the state.

Achievements. In the major activity of recruiting applicants for state employment there were more applications received by June 30, 1970 than in any previous year. The 6,691 applications received was 14.9% higher than in 1969 and 8.5% greater than in any previous year.

Cost and Performance Summary. The following data is presented in summary form. Additional supporting data is available upon request.

	FISCAL YEARS		
	1967-68	1968-69	1969-70
COST	$40,503	$43,749	$52,312
PERFORMANCE			
No. of Applications Received	6,167	5,825	6,691

Merit System Organization and Function

The Joint Merit System extends personnel services to six State agencies with a total staff of almost 1300 classified employees. Prior to May of 1940, the Department of Public Welfare and the Employment Security Commission had operated their own Merit System programs. In 1939 the Federal Social Security Act was amended to require state agencies receiving certain Federal funds to operate a personnel program administered by an impartial body. In May of 1940, a Joint Merit System Council was appointed to provide assistance in certain phases of the personnel program of the Department of Public Welfare, the State Department of Health, and the Employment Security Commission. All employees in the Merit System Office were also covered by the Merit System Program. Merit System coverage was extended to the Department of Mental Hygiene in December 1948, to the Civil Defense Agency in October 1960, and to the Commission on Aging in May 1966.

The Merit System Office has the responsibility for recruiting and examining applicants for employment, certifying lists of eligible applicants, giving assistance on personnel practices and techniques, auditing payrolls, and hearing appeals. Through the Merit System continuous open competition for state jobs is made possible and the best qualified applicants are referred for consideration when vacancies are to be filled.

Recruitment and Examinations

Merit System examination announcements are circulated wherever there may be persons interested in working for the state. For clerical and some professional positions this involves only statewide recruitment but for many professional positions requiring specialized training and skill it is necessary to recruit on a nationwide basis. Examination announcements are made available to schools and colleges in Montana and outside the state where students from the state are in attendance. Student placement offices and appropriate department heads are

contacted to give the information concerning available employment opportunities. Those who are applying are given an opportunity to take the test at their own college. Applications are accepted continuously for all positions in which vacancies can be expected and the emphasis for any given time is on the classes for which replacements are most urgently needed. Tests are given every weekday at the Merit System Office and at least four times a year in the larger cities in the state. Special recruitment and examination programs are conducted in local areas where there are specific needs for new employees. Supervision of Merit System examinations is generally by high school or college teachers, county superintendents of schools, personnel technicians, employment service personnel or other persons trained in the administration of tests.

In the fiscal year ending June 30, 1970 there were 6,691 applications for individual written examinations as compared with 5,825 in 1969. In 1970, 5,218 written tests were given resulting in 4,315 passing grades. In the previous year, 4,725 tests were given with 3,686 passing grades. The number of applications received was 8.5% greater than in any previous year.

An important part of the recruitment effort to secure the needed Clerks, Typists, and Stenographers is the high school program which is conducted in April of each year. In 1970 tests were given by commercial teachers at 73 high schools with 1,082 applicants for these tests. In 1969 the tests were given at 61 high schools for 898 applicants.

Performance tests are used to determine skill in typing, shorthand, and other types of business machines. In 1970, 2,034 such tests were given with 1,720 receiving passing grades. In 1969, 1,843 were tested with 1,542 passing grades. The number tested in 1970 was 10.6% lower than in fiscal 1967 when 2,276 performance tests were given. In recent years there has been a gradual decline in the number of persons seeking stenographic positions.

For some positions written test material may not be available or for some other reason it is not practical to use a written test. In such cases the grade is based entirely on an evaluation of the application. In such unassembled examinations, 174 applicants were rated in 1970 with 134 receiving passing grades. The number in 1969 was 164 rated and 153 passing grades.

For all professional positions a rating of training and experience is a part of the examination. It is also used for the higher level clerical positions. This involves an evaluation of the application using established guides for the evaluating of the various types of education and experience for each kind of position. Preference is given for the specific education or experience required in the class specification and also for recency of experience. In 1970 there were 1,353 such ratings as compared with 1,160 in 1959.

Classification and Compensation

Class specifications for the agencies under the Merit System are reviewed periodically to make sure that they reflect the current status of positions to which they apply. New specifications are developed before appointments are made to new jobs. Each specification defines the job, lists the duties and responsibilities, sets up educational and experience requirements, lists the knowledges and abilities required for the examination, and contains a statement of personal qualifications that are required. The number of new or revised class specifications in all of the Merit System agencies in 1970 was 63, most of these being revisions. In 1969, the number was 25.

Factors which are considered in revising salary plans are the amount of funds available, the prevailing rates of pay in other employment, the cost of living, the state's financial policies, and other relevant factors. Because of the 5% limitation imposed by the 1969 Legislature, all of the agencies have

adjusted their salary plans by that amount.

Appointments

As positions become vacant the Merit System Office submits lists of the three highest names for each particular job. Selection must be made from the three highest persons who are actually available. In 1970, there were 483 original appointments in the Merit System agencies compared with 460 in 1969.

Appeals

During fiscal year 1970 there was one appeal from one employee who had been dismissed. The Merit System Council found that the dismissal had not been properly made but they also found that there was reason for the employer to carefully consider whether she should be continued in their program. The employee resigned shortly after the appeal. There were no appeals to the Merit System Council in fiscal 1969.

Major Problem Areas

Inadequacy of Staff

The size of the Merit System Office staff in relation to the number of positions covered has decreased constantly since 1950. (See Table II) In that year the number of staff members for every 100 classified positions was .82. Since then this ratio has been: 1955, .74; 1960, .59; 1965, .48; 1969, .47; and 1970, .43.

The constant increase in workload without adequate additional staff has resulted in serious problems. There is not enough time to develop good recruitment materials and often the new material is not ready soon enough to be most effective. Much of the new test material must be copied and assembled in the Merit System Office and new test material is sometimes not put into use for over six months after it is received.

All of the rating of training and experience is being done by the Merit System Director and with the present high level of applications this makes it almost

impossible for him to travel to colleges and other places to work on recruitment.

Availability of applicants is changing faster than ever and the Merit System Office has less time to maintain current information. As a result, the Merit System agencies often receive lists of eligibles who actually are not in the job market. The agencies have the job of checking on availability although this should be done in the Merit System Office.

One extremely important part of the examination program is to check on the previous employment of new workers. At the present time this check is conducted entirely by the agencies who are doing the hiring. This should be done in the Merit System Office to avoid duplication of effort by the different agencies and to make sure that there is an adequate check on all workers.

Table I

Number of Applications

for Merit System Examinations

Position	1969	1970
Accountant I	32	34
Social Worker I	244	350
Chemist I	14	14
Sanitarian I	28	48
P. H. Nurse I	32	25
P.H. Field Representative	6	46
Interviewer I	180	260
Employment Counselor Trainee	100	108
Clerk I	1172	1305
Clerk-Stenographer I	712	825
Clerk-Typist I	1422	1591
All Other Positions	1883	2085
TOTAL	5825	6691

(There were 14.9% more applications in 1970 than in 1969.)

TABLE II
Growth of
Merit System Program
1950 - 1970

Fiscal Year	Budgeted Positions Merit System Office	Classified Positions In Covered Agencies	Staff Members Per 100 Classified Positions	Number of Positions for which written tests were given	Number of Applications Received
1970	5.5	1275	.43	124	6691
1969	5.5	1172	.47	109	5825
1965	3.75	787	.48	75	5705
1960	4.0	677	.59	57	4295
1955	4.5	609	.74	61	3759
1950	4.6	558	.82	55	3058

TABLE III
PROPOSED JOINT MERIT SYSTEM BUDGET
PERSONAL SERVICES
(Period July 1, 1971 to June 30, 1973)

	Budget for Fiscal Years		
	1971	1972	1973
Merit System Office Staff (Salaries & Wages)			
Director			
8 mos. @ $1,125, 4 mos. @ $1,175	$13,700		
8 mos. @ $1,225, 4 mos. @ $1,280		$14,920	
8 mos. @ $1,280, 4 mos. @ $1,340			$15,600
Personnel Technician I			
12 mos. @ $660	7,920		
12 mos. @ $720		8,640	
12 mos. @ $750			9,000
Personnel Technician I			
6 mos. @ $525	3,150		
12 mos. @ $575		6,900	
12 mos. @ $600			7,200
Secretary I			
12 mos. @ $550	6,600		
12 mos. @ $600		7,200	
12 mos. @ $630			7,560
Clerk-Stenographer II			
12 mos. @ $440	5,280		
12 mos. @ $480		5,760	
12 mos. @ $500			6,000
Clerk-Stenographer I			
12 mos. @ $370	4,440		
12 mos. @ $400		4,800	
12 mos. @ $420			5,040
Clerk-Stenographer I			
6 mos. @ $385		2,310	
12 mos. @ $400			4,800
Clerk-Typist I			
9.5 mos. @ $340	3,230		
12 mos. @ $355		4,260	
12 mos. @ $370			4,440
	$44,320	$54,790	$59,640
Employee Benefits	$ 4,431	$ 5,601	$ 6,062

PROJECT COSTS BY OBJECT OF

EXPENDITURE AND SOURCE OF FUNDING

1969-70 FISCAL YEAR

ADMINISTRATION

OBJECT OF EXPENDITURE

PERSONAL SERVICES	$ 41,734
OPERATIONS	9,268
CAPITAL	1,255
GRANTS AND BENEFITS	-0-
TOTAL EXPENDED	$ 52,257

SOURCE OF FUNDING

MERIT SYSTEM ACCOUNT	$ 52,257
TOTAL FUNDING	$ 52,257